

Media Relations OfficeWashington, D.C.Media Contact: 202.622.4000www.IRS.gov/newsroomPublic Contact: 800.829.1040

IRS Office of Taxpayer Burden Reduction Partners with Public to Make Complying with Tax Laws Easier

IR-2006-93, June 8, 2006

WASHINGTON — The Internal Revenue Service's Office of Taxpayer Burden Reduction is soliciting recommendations from members of the public on ways to reduce taxpayer burden. Taxpayer burden is defined as the time and money taxpayers spend to comply with their federal tax obligations. An example of taxpayer burden could be the average time and expense required to complete and file a tax form.

The Office of Taxpayer Burden Reduction encourages tax professionals, business owners and others to submit their proposals for ways to reduce burden by using referral Form 13285A, Reducing Burden on America's Taxpayers. The form requests a specific description of the problem as well as a description of the proposed solution and the type of taxpayers or businesses that are affected. More information on completing the form is available on the IRS Web site at IRS.gov.

Established in early 2002, the Office of Taxpayer Burden Reduction provides direction and leadership for burden reduction efforts, such as simplification of forms and publications and streamlining of internal procedures. The office's project managers work with specialists from all divisions and functions of the IRS and consult with outside experts, such as tax professionals, business groups and state and federal agencies.

This year, there are several initiatives coordinated through the Office of Taxpayer Burden Reduction that are designed to help ease taxpayers' burden in complying with federal tax laws. They include:

AMT Assistant for Individual Taxpayers

The <u>AMT Assistant</u> is a new online tool that helps individual taxpayers determine whether they are potentially subject to the alternative minimum tax (AMT). More information is available in the <u>Newsroom</u> on IRS.gov.

Streamlined Extension of Time to File

Taxpayers are able to request an automatic, six-month tax-filing extension for most common individual and business returns. The new <u>regulations</u> make this option available to most non-corporate business taxpayers, including partnerships and trusts. Additional information on extensions for <u>individuals</u> and <u>businesses</u> is available on IRS.gov.

Simplified Tax Filing Requirements for Small Employers with Form 944

Beginning January 1, 2006, certain employment tax filers are able to file the new <u>Form 944</u>, Employer's Annual Federal Tax Return, once a year rather than filing Form 941, Employer's Quarterly Federal Tax Return, four times a year. The first Form 944 is due January 31, 2007. For additional information, visit the <u>Newsroom</u>.

Revised Schedule K-1 for Partnerships, S-corporations and Trusts

The Internal Revenue Service revised Form 1041 Schedule K-1 for this year's filing season. The schedule has been simplified to reduce common errors and the burden associated with preparation and filing requirements. Schedule K-1 for Forms 1065 and 1120S were revised last year. More information is available at IRS.gov regarding the new K-1 for trusts as well as the revised K-1s for partnerships and S-corporations.

The IRS often partners with members of the public, tax professionals, businesses and others to obtain input on a variety of issues relating to tax administration. Partnership may take the form of formal committees and programs or less formal activities such as requests for comments on proposed guidance. Other partnership activities currently include:

- Internal Revenue Service Advisory Council (<u>IRSAC</u>) The IRSAC advises the IRS on issues that have a substantive effect on federal tax administration. Membership includes representation from the taxpaying public, the tax professional community, small and large businesses, state tax administration and the payroll community.
- Information Reporting Program Advisory Committee (IRPAC) The IRPAC works with the Commissioner and other IRS executives to provide recommendations on a wide range of information reporting administration issues. Membership includes representation from the taxpaying public, the tax professional community, small and large businesses, state tax administration and the payroll community.
- <u>Nationwide Tax Forums</u> The three-day forums, which the IRS presents jointly with several professional associations, offer tax professionals the latest word from the IRS on tax law, compliance and ethics, as well as the opportunity to interact with IRS executives and specialists.
- Industry Issue Resolution (IIR) Program The IIR Program resolves frequently disputed or burdensome tax issues affecting large number of taxpayers. The IRS solicits suggestions for issues for the program from business taxpayers and associations.